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NEAR EAST/AFRICA BRANCH  
OFFICE OF REPORTS AND ESTIMATES  
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

Vol. IV No. 20

For Week Ending  
25 May 1949

GREECE

Soviet peace suggestions: The Soviet suggestions for peace in Greece released by TASS on 19 May follow essentially the same line as previous propaganda "peace" offers of the Greek guerrillas, but for the first time implicitly admit Soviet ability to control the guerrilla movement. This admission is part of the bait offered by Soviet strategists for a settlement of the Greek issue by means of a big-power arrangement, consistent with current Soviet "peace" aims, behind the back of the Greek Government and outside the halls of the UN. By such a diplomatic maneuver the Soviets might have hoped to achieve what mere aid to the guerrillas has failed to produce--not only international recognition for the guerrillas and Communist penetration of the Greek Government even before elections, but also the general extension of Soviet influence at the expense of the British and American interest. The TASS announcement produced a prompt rejection of a big-power deal by the US and the UK and a vigorous reaction from the Greeks, who realize that their own improved military power makes an eventual victory over the guerrillas feasible without compromise. It is probable, nevertheless, that further Soviet moves will be made in the direction of "peace" in Greece, although there is no indication of a prospective drop in the USSR's asking price. At the present stage an actual intensification of Soviet-sponsored aid and of guerrilla efforts may still be attempted, since the Communists will seek to avoid the impression of desiring peace because of weakness.

TURKEY

Premier calls for constitutional reform: Turks must have rubbed their eyes last week when they read in the newspapers the account of Premier Gunaltay's latest press conference. Here was the chief of a Turkish Government, composed of members of the only party which has ever formed governments under the republican regime, actually denouncing the constitutional provisions which have helped make his party's continued, and often arbitrary, exercise of power possible. The voice was the voice of Gunaltay--hitherto regarded as a rather meek, scholarly nonentity--

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but the tone of castigation sounded astonishingly like that of the late Ataturk in the days when he used to browbeat, bully, and scold party members into adopting a never-ending series of shattering reforms. "Our present Constitution," Gunaltay reportedly said, "rests on a one-sided power principle." That is not democracy, he asserted; it is class domination.

At this point, the similarity between Gunaltay and Ataturk abruptly ended, for Ataturk in the next breath would have informed his listeners in some detail just what reforms he proposed to have enacted. Gunaltay, unfortunately, had no earth-shaking remedies to offer, but merely recommended that "intellectuals" study the situation. (He assured for himself a good press, no doubt, by including the gentlemen of the press in this category.) Last week he said hardly more than that he is against political sin (e.g. anarchy, dictatorship, class domination, bureaucratic degeneracy, demagogues, etc.), except to put forward a tentative proposal that the "intellectuals" might usefully be included in a new second (presumably legislative) chamber. Nevertheless, Premier Gunaltay is apparently not quite the stooge he was generally supposed to be, and he may well succeed to some extent in what he calls "renovating the regime," while the chill north winds of the cold war blow yet no warmer.

### ITALIAN COLONIES

Reactions to UN vote: The General Assembly's rejection of the Bevin-Sforza plan for the former Italian colonies was a signal for rejoicing in Italian Somaliland and Tripolitania but failed to erase completely the resentment felt by the strongly anti-Italian Tripolitanians against the US and the UK for their support of the plan. The General Assembly vote was also a source of some satisfaction for Ethiopia, which is understandably reluctant to have Italy reinstated in East Africa. Although a provision for the return of southeastern Eritrea to Ethiopia finally died with the rest of the plan, the General Assembly's approval of the Eritrean clause before the main vote was taken gives promise that next time Ethiopia may gain what it wants without having to accept Italy's return to Somaliland in the same package. The whole Italian colonies question will now be held over until the General Assembly reconvenes in September.

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## INDIA - PAKISTAN

Kashmir situation: The UN Commission for India and Pakistan (UNCIP) has apparently hit another snag in its attempts to obtain a truce agreement governing Kashmir. India's reply to the Commission's most recent truce proposals, delivered on 18 May, contained important reservations, and it is probable that Pakistan's reply, which is expected momentarily, will also represent no more than qualified acceptance. Despite these difficulties, however, an agreement on truce terms can probably be reached--provided UNCIP shows that it is prepared to take a strong stand on the most troublesome points at issue. Recent talks suggest that, under sufficient pressure from UNCIP, India would be willing to abandon its demands for the right to station garrisons in northern Kashmir if Pakistan would agree to disarm and disband the pro-Pakistan Azad forces. If the GOI can be made to accept such a compromise, the GOP will probably agree to its part of the bargain. Each side would thus have a definite quid pro quo and would find it difficult to accuse the other of acting in bad faith. Given an agreement on these two major issues, there should be no further objection to the immediate installation of the Plebiscite Administrator, who could then take over the responsibility for the maintenance of law and order throughout Kashmir.

## NOTED IN BRIEF

The arming of Greek refugees returning to some of the more dangerous northern areas has temporarily resulted in unexpectedly high morale, but reports have been received of frequent fighting with guerrillas in some villages. The guerrillas may be expected to worry the repatriates as much as possible, not only as a potential source for new supplies, arms, and recruits, but also as a means of generally increasing the refugees' misery for which guerrilla propaganda is now strongly castigating the Greek Government.

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Greek Cypriots intend to continue their traditionally hostile attitude toward the British Colonial Government of Cyprus, as may be seen from their angry reaction to the recent appointment of Sir Andrew Barkworth Wright as their new governor. A career colonial officer, Sir Andrew will probably find, as did his predecessor, that the warm support of the 18 percent of the population which is Turkish Moslem is small compensation

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for the active hostility of the 80 percent who are Greek Orthodox. Of the Greek Cypriots, the Nationalists can be expected to continue their unequivocal demands for union with Greece, while the Communists, who are apparently maintaining their strong hold on the cities in the May municipal elections, will probably use their influence both in the cities and in the labor unions to agitate on any issue which might embarrass the British in Cyprus. Frequent clashes at the polls in late May indicate that Cypriot tempers are high and that future agitation may take a more violent turn.

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The methods adopted by Turkey in distributing tractors and other expensive farm machinery imported under ECA auspices may have far-reaching social consequences. Unless generous credits are extended to the poorest farmers, who usually work and own their own land, only the more wealthy will be able to purchase the machinery. Under such circumstances, the poorer farmers, unable to compete with mechanized agriculture, will eventually be forced to work for their richer fellows.

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After admitting that a lower cost of living would represent a "miracle," the Turkish Government has passed the buck to some of the larger cities, which are now authorized to set ceiling prices on foodstuffs. A flourishing black market in food seems to be in the making.

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The resignation of Barlas, the Minister of Commerce and Economy is now being demanded by Turkey's chief opposition party. Barlas is an obvious target because of the almost intolerable economic conditions Turkey is facing, and although the cabinet has shown no sign of yielding to the opposition pressure it may feel compelled to allow Barlas to be the scapegoat for the economic ineptitude of which the government has been accused.

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With the Tapline Agreement ratified by Syrian Legislative decree on 16 May and Parliamentary approval assured by Zaim, when (and if) that body is convened, construction of the line from the western end is expected to start soon. The first deliveries of Saudi Arabian oil to the Mediterranean coast are scheduled for late 1950.

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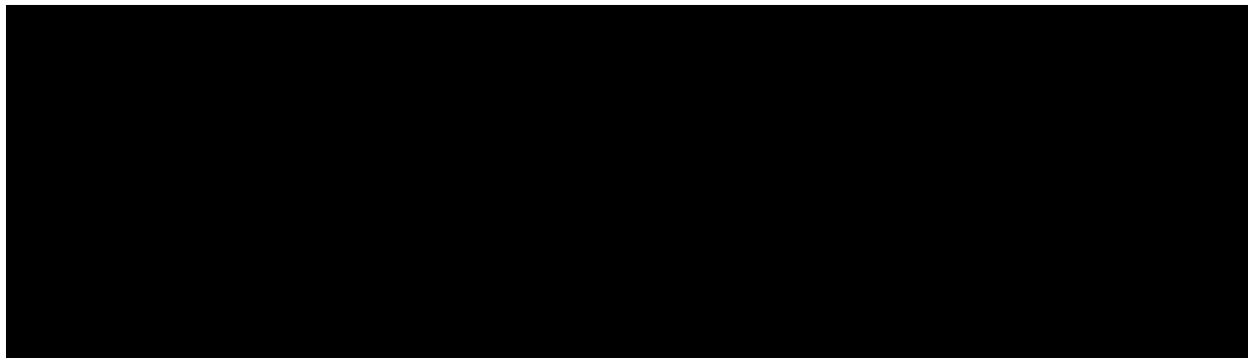
Although the current feud between Syria and Lebanon, arising over the Syrian assassination of an alleged Israeli spy on Lebanese territory, has now produced economic sanctions by both sides, the dispute will probably not last much longer. Its chief significance is as an indication of Zaim's preoccupation with matters of prestige.

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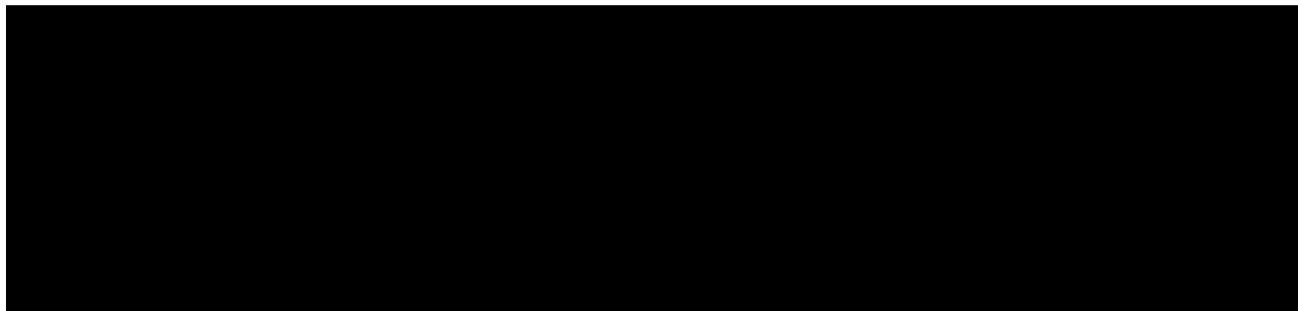


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The trend toward more efficient administration in Iran continues. The Majlis has passed new rules which place limitations on its interpellations and exact penalties for obstructionist tactics in the chamber. While the deputies may have become imbued with a genuine zeal for reform and progress, they undoubtedly realize that in backing the Shah's plans to improve the functioning of government they are acting in their own best interests inasmuch as the support of the court-army group will be an important factor in their reelection to office.

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The Anglo-Iranian Oil Company (AIOC), in current negotiations with the Iranian Government, has offered to double Iran's oil revenues but refuses to go further. It is prepared to submit the matter to arbitration if no agreement is reached in the current negotiations, and Iran also appears quite willing to have the dispute settled by arbitration. Since the UK is majority stockholder in AIOC, the choice of arbiters would require considerable tact so as not to provide the USSR with additional propaganda ammunition for bombarding the Iranians.

The UN draft resolution on alleged discrimination against Indians in South Africa is causing little concern in the General Assembly. On 14 May a proposal was approved recommending the establishment of a three-member commission (India, Pakistan, and South Africa) to study the situation and to hold round-table discussions on the subject. No solution to the problem is expected, and the discussions will probably be discontinued without any formal recommendations being made.

The French Government has decided to hold a referendum in Chandernagor on 19 June to decide the question of merging with India. The referendum will undoubtedly favor the merger. A similar referendum in the four other French settlements, Pondichery, Mahe, Karikal, and Yanam, will be held on 11 December.

The first official Indian reaction to the recent Dutch-Indonesian agreement (the terms of which are in conformity with the resolution passed at the New Delhi Conference in January) is favorable, and the GOI hopes that the Indonesian problem may now be settled peaceably. As soon as the Republican government is settled in Jogjakarta, the GOI will consider lifting the ban (imposed last December) on the flight of Dutch planes over Indian territory. The question of sending the Indian Ambassador back to The Netherlands is also being considered.

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Pakistan has requested that the UN Security Council resume discussions of the Hyderabad issue, about which nothing has been done for several months. It is highly doubtful, however, that the Security Council will seriously consider UN observation of a plebiscite in Hyderabad or other positive steps; indeed, the case will probably be shelved again in lieu of more important matters.

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